

Decision No. 29386

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
MRS. THOMAS McDONALD  
for authority to discontinue water  
service in the Town of French Gulch,  
Shasta County, State of California.

Application No. 20616

Mrs. Thomas McDonald, for applicant.

E. E. Erich, for himself and other  
consumers.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Mrs. Thomas McDonald asks for authority to discontinue water service to consumers now being supplied by her in the unincorporated Town of French Gulch, Shasta County, upon the allegations that the utility operation is non-compensatory and that she is financially unable to make necessary repairs and replacements.

A public hearing in the matter was held before Examiner MacKall at French Gulch.

French Gulch is one of the famous old mining camps of the early days of California's gold rush period and, like many of such once highly important and flourishing mining communities, has gradually declined in population to a mere shell of its former self. Today not over one hundred and fifty persons are residents of the town. It is served water by two commercial systems, both relics of past mining days and each diverting water from surface

stream flow with gravity distribution. Neither of these two systems is used strictly for household and drinking purposes but for lawn and garden and sanitary uses. Practically all homes, halls and places of business have their own wells or private water sources for household and drinking purposes because of the great liability to contamination of the streams supplying the two ditch systems. However, the bed rock in and near this community lies close to the surface of the ground and, in addition, the overburden has been quite thoroughly prospected and turned over by pioneer miners so that the wells are not capable of producing more water than required for the barest household needs.

The present McDonald system has been serving water to residents of French Gulch for over forty years. Its water is diverted from French Gulch Creek above the town, transported about one and a quarter miles by open ditch and flumes to a small forebay delivering the water into a  $4\frac{1}{2}$ -inch pipe line which carries the water to the pipe running along the main street of the town. The water is not used for human consumption but only for irrigation and sanitary purposes and, most important to the community, being under pressure, provides the only fire protection available. The other water system, known as the Town Ditch and now owned by Edward Laboudique, diverts its water just above French Gulch from Clear Creek, carrying the water through the main part of town through an open ditch with no possibility of providing pressure because of the low elevation of the intake. This system has no service connections other than individual "take-outs" or boxes placed in the sides of the ditch. Incidentally, the location of this ditch is such that many of the residents have premises too high to be served from this source except through the installation

of a pumping plant.

The schedule of rates charged by applicant was filed with the Railroad Commission on April 5, 1915, by the late well-known mining operator, Thomas McDonald, husband of applicant herein. The schedule is as follows:

To Hotel Feed Stable-----	\$30.00	per year
To Hotel-----	20.00	per year
Grocery Store and Stable-----	15.00	per year
Public School-----	15.00	per year
Public Hall-----	15.00	per year
Blacksmith Shop-----	15.00	per year
Residence and Flower Garden-----	12.00	per year
Residence and Flower Garden-----	10.00	per year
Residence and Small Flower Garden-----	6.00	per year

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The record shows that, while service is rendered to fifteen consumers under the above rates, no efforts for many years have been made to collect from seven of these, at least four of whom can easily afford to pay for their water service. The eight paying consumers provided a total of one hundred and one dollars (\$101.00) in revenue last year while the expenses were reported to be one hundred twenty-five dollars and fifty-six cents (\$125.56) for the same period, mainly attributed to the salary paid to the ditch-tender. The two homes owned by Mrs. McDonald in French Gulch, while receiving water from both her own and the Laboudique systems, nevertheless are not charged for water in her annual revenue statements. Both of these places have large grounds, especially Mrs. McDonald's own home which has several acres under irrigation, considerable of the water therefor coming from her own pipe line. On a small system of this kind, it is reasonable and necessary to give consideration to such use by the system

owner.

Mr. E. E. Erich, a resident of French Gulch and clerk of the local school district, on behalf of himself and the said district as well as the other consumers, protested against the discontinuance of service mainly because of the vital need of the fire protection for the school and other buildings available only through the McDonald system and also because many of the consumers were located below the Town Ditch of the Laboudique system and could not obtain a substitutional supply from that source without expensive individual pumping equipment. Mr. Erich stated that practically all of the consumers of applicant's system including the grammar school would be willing to pay an increase in rates, if not too high, in order to preserve the water service to the community.

A careful study of the evidence presented in this proceeding shows that discontinuance of this water service would be a most serious blow and a great handicap to the community and that no effort has ever been made by Mrs. McDonald to have the Commission adjust present rates to provide for a fair net return upon the investment which it appears can be accomplished in this case without placing an excessive burden upon the consumers. While this may seem a trivial matter in view of the small revenues involved, yet it must be remembered that this water has been dedicated to the public use in this community for over forty years and that the retention of this service is most vital to all the residents of French Gulch. Under the circumstances as outlined above, request for discontinuance will be denied. Should applicant feel that existing rates ought to be adjusted to conform

with existing conditions, she is at liberty to file at any time an application for this purpose.

O R D E R

Application having been made to this Commission as entitled above, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

IT IS HEREBY ORDERED that the application herein be and it is hereby denied.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 21<sup>st</sup> day of December, 1936.

W B Harris  
Leon A. Whittell  
W. H. ...  
Commissioners.